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October 8, 2009

VIA MAIL

Chairman Kristin Mayes
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

Re: In the Matter of the Application of SolarCity for Adjudication Not a
Public Service Corporation: Docket No. E-20690A-09-0346 [Track 2]

Dear Chairman Mayes:

On behalf of the Phoenix Suns organization, I am writing this letter in support of SolarCity Corporation's ("SolarCity") application for a determination that it is not acting as a public service corporation when providing solar services in Arizona. As you might be aware, the Phoenix Suns play all their home games at the U.S. Airways Center ("USAC") located in downtown Phoenix. Our organization has been working with Arizona Public Service Company ("APS") and potential solar providers to install a solar rooftop facility to generate a substantial portion of the USAC's energy needs from solar energy. In fact, the parties were well down the road to finalizing a Solar Service Agreement ("SSA") earlier this year, but the project was suspended due to regulatory uncertainty arising from an application filed by the Solar Alliance similar to SolarCity's.

We believe, like you do, that the development of solar and other renewable technologies not only makes sense for our environment, but will be economically beneficial in the long term for electric customers and the state of Arizona. We recognize that the Arizona Corporation Commission ("ACC") has been instrumental in pushing Arizona towards becoming a leader in renewable energy and, in particular, solar energy. The Phoenix Suns hopes to continue working closely with APS in demonstrating for other NBA organizations around the country that distributed generation projects can be successful in addressing long-term energy needs.

It has been our experience that the major obstacle for several solar providers seeking to enter the Arizona market has been to secure financing in the face of regulatory uncertainty. Although the SolarCity special contracts recently approved by the ACC involve school districts and other government entities, it would appear that the ACC is prepared to address (in Track 2 of the proceedings) the broader issue of whether solar providers are public service corporations, irrespective of the corporate status of the host provider in commercial agreements, or in cases where service is provided to residential





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customers. Therefore, to the extent that the ACC can avoid issuing a decision specific only to SolarCity, the easier it will be for commercial and residential customers to take advantage of programs authorized by the ACC to incent solar development in Arizona.

With respect to the substantive issue at hand, we think that the products and services offered by SolarCity and other similarly situated solar companies fall outside the scope of public utility services, and customers can benefit from a competitive market.

Furthermore, safety related issues (i.e. connecting to the grid) can be adequately addressed in interconnection requirements imposed by APS on solar providers based on *rules and orders issued by the ACC*.

In the event that you conclude that SolarCity is a public service corporation based on the provisions of its SSAs with school districts, we ask that the ACC provide guidance to the solar industry as to what constitutes activity public utility service, and strongly consider a streamlined regulatory approval process that will encourage continued investment in distributed generation solar projects in Arizona.

Thank you for your time and consideration. If you or anyone at the ACC would like more information concerning the Phoenix Suns' campaign to encourage the use of renewable energy and combat climate change, please do not hesitate to contact us at your earliest convenience.

Sincerely,



Jason Rowley
Senior Vice President & General Counsel
Phoenix Suns & US Airways Center

cc: Commissioner Gary Pierce
Commissioner Paul Newman
Commissioner Sandra Kennedy
Commissioner Bob Stump
Ernest Johnson, Executive Director
Docket Control
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